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DOCUMENTS, REPORTS, AND LEGISLATION

Industries and Commerce

COLD STORAGE. The Department of Agriculture has published two bulletins dealing with the subject of cold storage. Bulletin 93, *Cold Storage Business Features* (pp. 86), by George K. Holmes, consists of two parts entitled respectively Reports of Warehouses to the Department, and Marketings. The warehouse reports were secured on schedules prepared by the department and covering a period of two years from March, 1909, for poultry and eggs, and from May, 1909, for butter, beef, mutton, and pork. The difference in time represents a rough effort to begin the year at the time when the quantity of the commodity in cold storage begins to increase from the month of lowest ebb.

The facts brought out in part I fall into three captions, namely: Length of Time in Storage, Costs of Storage, and Fraction of Production Going Into Cold Storage.

The most significant part of the information on the length of time in storage is set forth in diagrams which show for 1910-1911 the percentage of the year's receipts into storage and of deliveries from storage assignable respectively to each month of the year (p. 29); percentage of receipts into storage for each of the six commodities, 1909-10, delivered after storage of 1, 2, 3, etc., up to 16 months (p. 35); average length of time of storage of receipts of year 1909-10 by months.

Tables show that 36.7 per cent of beef stored was delivered in 1 month and that the bulk of it was delivered before the expiration of 7 months. The largest monthly percentage for mutton was 28.8 in the sixth month, delivery being nearly completed in the eighth month. Delivery of pork was 78 per cent within a month, with about 3 per cent remaining after 3 months; poultry, 22 per cent delivery for the first month, 26 per cent for the second, with the bulk delivered within 8 months. Largest deliveries of butter were 12 to 14.5 per cent each month from second to the sixth month, the bulk being delivered within 10 months; eggs, largest monthly deliveries in sixth month (18 per cent) and seventh (21 per cent), delivery completed in 11 months. The extreme length of time in storage was represented by one warehouse where "there was discovered some fresh mutton that had been in cold storage 27½ months, and this was 10.2 per cent of the fresh mutton receipts of all reporting warehouses for May, 1909," the month when the period of storage began. Of butter, 0.3 per cent of May,

1909, receipts remained 27½ months and 0.1 per cent of poultry remained 26½ months (p. 36).

Taking the storage year 1909-10, which begins for each commodity with the month when increase from the lowest ebb sets in, the percentages carried over to the next year were as follows:

	Beef	Mutton	Pork	Poultry	Butter	Eggs
Year beginning	Sept. 1	Aug. 1	May 1	Aug. 1	May 1	March 1
Per cent carried to next year . .	9.6	15.1	12.6	7.7	12.5	0.5

The report shows the cost of storage, plus insurance and interest, in relation to the mean wholesale prices of the respective commodities in from 2 to 13 cities during the heavy storage months in 1910-1911. For butter and fresh mutton, which show respectively the lowest and highest percentage of price, the figures are as follows:

Length of storage [in months]		1	3	6	9	12	15
Storage cost as per cent of price	butter	2.4	7.3	14.6	21.9	29.2	36.5
	mutton	3.8	11.5	23.0	34.5	46.1	57.6

The percentage of total production going to storage was found to be 3.1 for beef; 4.1 for mutton; 11.5 for pork; 9.6 for butter; 15 for eggs.

Part II gives tables showing the relative monthly receipts of butter and eggs into New York, Boston, Chicago, St. Louis, and Milwaukee, from 1880 to 1911. These are followed by further estimates and tables to show cold storage as a fraction of supply.

Bulletin 101 (*Cold Storage and Prices*, by George K. Holmes, pp. 116) is an attempt to analyze price movements in the principal storage commodities from 1880 to 1911, comparing especially prices from 1880-1892 with those from 1902-1911. Great pains has been taken to get price quotations for both periods for a large number of cities in different parts of the country. Figures are weighted to show the influence of consumption and the most significant results are reproduced in diagram. Price movements in later years are shown in juxtaposition with storage movements, but there is no discussion of general price influences other than storage, together with its reactions on consumption. The following quotation contains the general conclusion with reference to the steadying influence of storage: ". . . the contention of the cold-storage interests that cold storage has counted for uniformity of prices is largely true, but it is not true for all commodities, nor for all comparisons of years and periods" (p. 69).

The discussion of figures is too detailed for reproduction even in

part; it has to do more largely with method than with conclusions. On the whole, the bulletin is to be regarded as a compilation of material and as such is valuable.

The final paragraph of bulletin 93 contains its conclusion and reflects perhaps the viewpoint of both bulletins. It is as follows:

The validity and significance of the conclusions of this bulletin would gain nothing by any characterization that might be given to them. The facts speak for themselves. The reader must be aware that this investigation has negatived some popular misconceptions with regard to the cold-storage business and has substantially sustained some of the assertions made by cold-storage warehousemen.

The author acknowledges indebtedness to Mr. F. G. Urner of the Urner-Barry Co., and to Mr. F. A. Horner of the Merchants Refrigerating Co. for material and important counsel.

W. E. HOTCHKISS.

In "Farmers' Bulletin" No. 560 of the United States Department of Agriculture (Oct. 11, 1913), several pages are devoted to "The Outlook for Meat Production" (pp. 17-20). It is believed that there are no large foreign supplies available for this country.

Among recent volumes issued by the Department of Commerce are *Commercial Relations of the United States, 1911* (Washington, 1913, pp. 185), a departure in form from the bulky two-volume edition; *Shoe and Leather Trade in Belgium, Spain and Egypt*, by A. B. Butman (Washington, 1913, Special Agents Series, No. 73, pp. 34); *Foreign Markets for Railway Supplies and Equipment* (Washington, July 25, 1913, Special Consular Report No. 60, pp. 224); *Transportation Rates to the West Coast of South America*, by F. J. Sheridan (Washington, 1913, Special Agents Series, No. 72, pp. 99). The last contains data in regard to lighterage, transfer, and other charges at New York and South American ports, the cost of marine insurance, consular fees, distances, and competitive rates from European ports and New York to South America.

At the last session of the Sixty-second Congress, a brief report on *Carey Act Projects* was presented, describing the history and present condition of the enterprises under way. This is the third and final report of the committee. (Sen. Doc. No. 1097, 62 Cong., 3 Sess., Feb. 21, 1913, pp. 22.)

Of international interest is the report on *Production and Marketing of Egyptian Cotton*, by J. S. Williams and Clarence Ousley, made to the American Commission to Investigate and Study Agricultural Credit and Coöperation (Sen. Doc. No. 113, 63 Cong., 1 Sess., June 26, 1913, pp. 10).

Of economic significance, though local in its application, is *A Report of Progress in Soil Fertility Investigations*, by J. G. Hutton, published by the South Dakota Agricultural Experiment Station (Brookings, South Dakota, June, 1913, pp. 235-264).

There is also to be noted *The Illinois System of Permanent Fertility*, by Cyril G. Hopkins, published by the Agricultural Experiment Station of the University of Illinois (Urbana, Illinois, Circular No. 167, May, 1913, pp. 20).

The State Board of Land Commission of Utah has made a new compilation of *State Land Laws, The Carey Land Act, State Laws Accepting Same, and Rules and Regulations Thereon* (William J. Lynch, secretary, Salt Lake City, pp. 85).

The results of two special studies in marketing have been received: *The Organization of a Fruit Distributing System*, by J. Arthur Reed (Salt Lake City, Utah Agricultural Experiment Station, Extension Division, Circular No. 11, pp. 123-136); and *Technical Studies in Egg-Marketing*, by C. W. Thompson (St. Paul, University of Minnesota Agricultural Experiment Station, Bulletin 132, April, 1913, pp. 45). Mr. Reed gives an account of the experience of the California Fruit Growers' Exchange. The question of cold storage is discussed in Professor Thompson's study.

The Department of Social Economics of the London Municipal Society has issued *Notes on the Census of Production (1907)*, in its series of "Statistical and other Memoranda for Political and Social Questions of the Day" (London, 33 Tothill Street, Westminster, S. W., Feb. 1, 1913, pp. 12). The analysis comments upon the low output per head; and, in the light of the statistics afforded, criticism is made of certain claims of socialists in regard to the distribution of wealth.

Corporations

THE STANLEY COMMITTEE REPORT ON THE UNITED STATES STEEL CORPORATION. The report is made up (1) of evidence taken by the committee in the course of its examination of witnesses and reports of its special agents, and (2) of reprints of various investigations previously made by independent officers and organizations and a number of documents given here as exhibits (*Hearings before the Committee on Investigation of United States Steel Corporation*, House of Representatives, 1911-1912, Nos. 1-63, pp. 5594: appendixes, xxiv, 422; xviii, 144; conclusions, 250, 9, 96; index, xlviii). The report of F. J. MacRae, special investigator for the committee, covers some 1100 pages. This includes summaries of earnings, minutes of the

board of directors, executive committee, finance committee, auditors, general managers of sales, traffic association, boards of directors of the various Carnegie companies and other corporations with related interests. It also includes statistical tables showing output and profits with forms of various contracts with coal companies. There is a list of abandoned plans with reasons for abandonment. There is a full index to MacRae's report under the headings: Subjects, Companies and Firms, and Individuals.

The so-called Stanley committee report will probably be more serviceable through its assembling what was already known more or less generally about the Steel Corporation than through what it found as the results of its own inquiries. MacRae's report has added documentary evidence in cases where knowledge was less exact, but the examination of witnesses by the committee has been rather disappointing. The men conducting it were not even reasonably well acquainted with the steel business and could not be expected to display much acuteness in getting new information, beyond details, especially in a field that had been worked over by investigators with some training. The final report of the majority is composed to a considerable degree of extracts from reports of previous investigators. Popularization is the chief result of the committee's work, perhaps its chief aim.

No investigation of "big business" seems to be complete without showing a connection with the Standard Oil Company. Hence there is placed in the record here the story of a transaction in ore lands between the Merritts and John D. Rockefeller. The incident was a closed one before the Steel Corporation was organized. The ostensible reason for its introduction, that it threw light on the problem of the value of ore deposits, is negligible. Moreover, the charges that misrepresentations were made to the Merritts by Mr. Rockefeller or his agents were withdrawn in a statement, dated January 22, 1897, and signed by the whole Merritt family, a score of them.

In view of the suit now in progress against the Steel Corporation any detailed discussion of its character and conduct would be premature and perhaps improper. The more rigorous examination by the court of the same data ought to put students in possession of better digested information than the Stanley Committee has given. Significant new material is not likely to be found at this date. We may now await an interpretation and a judgment.

In detail the report covers the following points: statistics from the reports of seven different railways; shipments, exports, domestic prices, properties purchased; the Interstate Commerce Commission on division of joint rates and other allowances to terminal railroads.

The tenth annual report of the corporation, for the fiscal year ending December 31, 1911, includes data as to annual percentages of production, prices, tonnage, assessed valuation, and rate of taxes on iron mines, and as to relations with other companies and with banks, insurance companies, telegraph companies, etc.

Following page 5594 is the *Report of the Commissioner of Corporations on The Steel Industry* (62 Cong., 3 Sess., H. R. No. 1127, pp. 212). With it are bound bills followed by agreements framed to protect and regulate trade, and Mr. Littleton's dissent from the bill presented by the majority together with his general views. Part II of this report contains the views of the minority. Part III consists of a supplementary report on the facts by H. O. Young and the separate views of Mr. Sterling.

In addition to MacRae's special index mentioned above, there is a good general index.

C. C. ARBUTHNOT.

THE SANATOGEN CASE. The decision of the Supreme Court in the Sanatogen case (229 U.S.) goes far toward reassuring those who feared that the privileges already enjoyed under the patent law would be further extended by judicial legislation. O'Donnell, a druggist in New York city, purchased sanatogen of one Hehmeyer, the agent and licensee of Bauer and Co. of Berlin, and sold the same at less than the established price. When this practice came to the notice of the said Hehmeyer, he refused to sell further to O'Donnell. The latter then purchased sanatogen of jobbers located in the District of Columbia and continued to sell at cut prices. Suit was then brought by Bauer and Co. and the Bauer Chemical Company against O'Donnell for the purpose of preventing O'Donnell from continuing to sell sanatogen at less than the price fixed by the patentees.

Sanatogen was sold to the trade in sealed packages, under letters patent No. 601, 995, bearing a notice of the established price and stating that any sale at a less price would constitute an infringement of the patent, and stating that persons so selling would be liable to injunction and damages.

In the prosecution of the case the plaintiff depended chiefly upon the case of *Henry v. Dick* (224 U.S.) referred to in the REVIEW of September, 1912 (vol. II, p. 720). The court, however, held that the case was dissimilar both from the legal and the economic point of view. In the first place, the article in question was sold—not licensed for use; and, second, the proprietors had no economic interest in sanatogen after its sale, whereas, the Dick Company relied for profits chiefly upon the sale of the articles necessary for efficient operation.

Continuing, the court held that the real question was whether in the exclusive right to vend there is also the right to dictate the price at which the article may be resold. Attention was called to the copyright law and the case of *Bobbs-Merrill v. Straus* (210 U.S. 339) in which the meaning of the word "vending" was considered. It was held that "vend" in the patent law and "vending" in the copyright law were one and the same in meaning, and that while Congress granted the exclusive right to sell in each case, there was no grant of the privilege of keeping up prices and preventing competition by notices restricting the price at which the article might be resold. Accordingly, as in the *Bobbs-Merrill* case, the court held that the right to the exclusive sale of an article did not confer the right to fix the price at subsequent sales.

It is significant, in view of the fears sometimes expressed that the domain of monopoly is likely to be enlarged through a too liberal interpretation of the patent law, to note that the court stated that while the act should be fairly or even liberally construed in order to secure its beneficent effects, "care should be taken not to extend by judicial construction the rights and privileges which it was the purpose of Congress to bestow."

MAURICE H. ROBINSON.

Part III of the *Report of the Commissioner of Corporations on the Steel Industry*, devoted to a consideration of cost of production, and representing the full report of the Bureau of Corporations, appeared under date of May 6, 1913 (Washington, pp. 569). This is probably the most intensive accounting study that has yet been made of an important industry.

In the *REVIEW* for June, 1913 (vol. III, p. 454), note was made of the report of the Senate Committee on Interstate Commerce. Since that date there has appeared the two-volume edition of the report, with hearings, digest, and index (pp. xxv, 2954). The digest (pp. 2804-2935) of testimony, with page references to the full record, should prove helpful to students of the trust problem.

An Address to the Boston Chamber of Commerce, by Howard Elliott, the new chief executive officer of the New York, New Haven and Hartford Railroad, September 30, 1913, is of interest as not only describing a great railroad system, but as showing the changing point of view of railway managers in matters involving public control.

Bulletin 14 of the Railway Business Association is entitled *Railway Income Still under 1910* (30 Church St., New York, Sept. 3, 1913, pp. 15).

A committee on railway mail pay, representing 264 railway companies has issued *The Railroads' Appeal for Fair Payment for Carrying the People's Mail* (Ralph Peters, president of Long Island Railroad, Aug. 1, 1913, pp. 8).

The Rehabilitation of the Santa Fe Railroad System, by Charles S. Gleed, has been reprinted from the "Santa Fe Employees' Magazine" (pp. 26). It is an interesting historical narrative.

In connection with the current movement on the part of the railroads to secure an advance in rates is to be noted an address by B. A. Worthington, president of the Chicago and Alton Railroad, delivered September 23, 1913, before the Central Manufacturing District Club (pp. 21); and also a pamphlet entitled "*Commerce Commission's Patriotic Duty*," an Editorial from the *Philadelphia Public Ledger* May 4, 1913, and an Article by Daniel Willard, President of the *Baltimore & Ohio Railroad* (pp. 16).

The London Municipal Society has made an analysis of a recent paper of the British Board of Trade (No. 287 of 1913) on state operated railways, under the title *State Railways* (2 Bridge St., Westminster, S. W., Sept., 1913, pp. 19), which affords a convenient statistical summary of recent operations and finance in different countries.

The issue of September 9, 1913, of the "I. B. A. of A. Bulletin" (111 West Monroe St., Chicago) contains an abstract of the laws of each state relating to public service and railroad commissions. The report was prepared by George W. Kendrick III, of Philadelphia, chairman of the Committee on Public Service Corporations of the Investment Bankers' Association of America.

Additional record of the Haverhill Gas Case in Massachusetts is to be found in the *Twenty-Eighth Annual Report of the Board of Gas and Electric Light Commissioners*, for 1912 (Boston, 1913, pp. 284, 432; see pp. 41-60).

Other reports of public service commissions recently published are *Sixth Annual Report of the Public Service Commission, Second District, New York, for 1912* (Albany, 1913, Vol. 1, pp. 1020; Vol. 2, *Abstracts of Reports*, pp. 412); *Forty-Second Annual Report of the Railroad and Warehouse Commission of Illinois*, for 1912 (Springfield, 1913, 2 vols., pp. 673, 531); *Twenty-Eighth Annual Report of the Railroad and Warehouse Commission of Minnesota*, for 1912 (Minneapolis, 1913, pp. 789).

The Public Service Commission of New York for the First District

has issued a pamphlet entitled *New Subways for New York. The Dual System of Rapid Transit* (June, 1913, pp. 83), in which the scope of the new contracts is described.

The determination of the reasonableness of gas rates charged by a public service gas company is reported upon at length in the *Third Annual Report of the Board of Public Utility Commissioners of New Jersey* for 1912 (Trenton, 1913, pp. 504; see pp. 246-310).

Note should have been made in an earlier issue of *Rates of Public Utilities in Wisconsin, Part I, Electric Rates, A Compilation of Rates in Force June 1, 1912* (Madison, 1912, pp. 234). Rates are given by towns for each specialized form of service.

On October 10, before a committee of the Chicago City Council, Mr. E. W. Bemis argued against accepting going value as a basis for fixing rates.

Mr. David J. Lewis, representative from Maryland, who has been so active in securing the establishment of a parcel post, has published as a public document *Brief for a General Parcel Post* (Washington, 1913, pp. 58). This contains statistical analyses and charts.

The Investment Bankers' Association of America has been engaged during the past year in making a vigorous campaign in behalf of wise supervision of the sale of securities, in place of the radical "blue sky" legislation which is proposed in some states. Among the publications for which this association is responsible are to be noted the "I. B. A. of A. Bulletin" for April 26, July 7 and 29, 1913 (111 West Monroe St., Chicago), containing the text of "blue sky" law in different states; the *Draft of a Bill to Regulate the Sale of Securities and a Discussion of the Measure* (pp. 14); "*Blue Sky*" *Legislation in Massachusetts*, a memorandum prepared by Ropes, Gray and Gorham (March, 1913, pp. 10); *Bill of Complaint Filed in the United States District Court at Detroit, Michigan, to Test the Michigan Blue Sky Law* (pp. 39); and a *Bill of Complaint Brought before the United States District Court of the Southern District of Iowa*, by William R. Compton Co., etc. *vs. W. S. Allen, etc.*, filed September 5, 1913, to test the Iowa "blue sky" law (pp. 40). Copies of these pamphlets may be had upon application to W. H. Lyon, assistant counsel, 141 Broadway, New York.

Labor

WOMAN AND CHILD WAGE-EARNERS IN THE UNITED STATES.¹ The publication of volumes XIV, XVIII, and XIX completes the federal

¹ See AMERICAN ECONOMIC REVIEW, vol. II, p. 436; vol. III, p. 195.

report on the condition of woman and child wage-earners in the United States.²

Volume XIV is a report of the causes of death among woman and child cotton-mill operatives, based on an inquiry concerning persons aged ten years and over who had died in certain cotton-manufacturing cities of the South and New England in the period 1905-1907. The Southern data proved too inaccurate to allow a fair comparison of all figures from the two regions, and the investigation is practically confined to Fall River, Manchester, and Pawtucket. A comparison of death-rates in selected groups and from various causes shows the hazard of female operatives to be greater than that of male operatives or of female non-operatives, especially from tuberculosis. "In the age groups, 15-24, 25-34, and 35-44, the death-rates [of women operatives] from tuberculosis were respectively two and one quarter, two and one half, and five times those among women of the same age groups outside the cotton industry" (XIV, 32). Operative work appears extremely harmful to married women, their death-rate from all causes being strikingly higher than that of single operatives, and their hazard from child-birth double that of non-operative women.

Volume XVIII contains reports on 23 manufactures,³ in 17 states, concerning the employment of women and children. The survey covered 442 establishments employing 112,450 workers, 56.9 per cent of whom were women and children under sixteen. Children were 7.1 per cent of the whole groups, but a smaller proportion in 13 industries.

² *Report on the Condition of Woman and Child Wage-Earners in the United States* (61 Cong., 2 Sess., Sen. Doc. No. 645, 1912-1913), prepared under the direction of CHARLES P. NEILL and under the immediate direction and supervision of CHARLES K. VERRILL. XIV, *Causes of death among woman and child cotton-mill operatives*, by ARTHUR R. PERRY, 1912, pp. 430; XVIII, *Employment of women and children in selected industries*, 1913, pp. 531; XIX, *Labor laws and factory conditions*, 1912, pp. 1125.

*Canning and preserving, fruits and vegetables	Hosiery and knit goods
Canning and preserving, oysters	Jewelry
Cans and boxes, tin	Needles and pins
Cigar boxes	Nuts, bolts and screws
Cigarettes	Paper boxes
Cigars	Pottery
Clocks and watches	Rubber and elastic goods
Confectionery	Skirts, overalls and underwear
Core making	Stamped and enamelled ware
Corsets	Tobacco (smoking and chewing) and snuff
Crackers and biscuits	Woolen and worsted goods
Hardware and metal specialties	

Women formed 8.6 per cent to 84.7 per cent of the employees in the several industries, and were typically one half or more of the working force. The occupations within each industry are described, and the sex, age, race, and conjugal condition of employees, their hours and other conditions of work are reported for the establishments visited. The hours and earnings stated are those of a working week, usually the week preceding the inquiry, and consequently are not always typical. They often show a wage above the average, as is noted in the reports on various industries (XVIII, 276, *passim*). Nevertheless, the wage-level recorded is appallingly low. "Of the 38,182 women, all 18 years and over, for whom the facts as to age and earnings were gained, one eighth earned under \$4, and two fifths under \$6, during the week studied. Practically only one tenth reached or passed \$10" (XVIII, 23). Remarkable local variations appeared in wages and general working conditions. Hours, safety provisions, sanitation, "these and many other points depend, not upon the worker, not even upon the industry, but very largely upon the attitude of the individual employer. . . . And when it comes to the question of wages, the lack of standardization seems to have reached its height" (XVIII, 35).

Volume XIX reports upon the administration and operation of state labor laws. It is limited to 17 states and to laws applying to factories and workshops. Reference to printed statutes and judicial decisions has been supplemented by interviews with enforcing agents to learn their interpretation of obscure laws and of laws allowing them large discretionary powers. Actual working conditions were studied in 563 establishments representing 58 industries. The laws and conditions reported are those in force at the time of the field work, December, 1908 to April, 1909, with footnotes, quoting important laws enacted up to January 1, 1910. Appendixes contain laws in force January 1, 1912, concerning women's and children's employment and the regulation and inspection of factories and workshops.

EMILIE LOUISE WELLS.

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MINNESOTA COMPENSATION LAW, 1913. Minnesota has enacted a quasi-voluntary compensation law (*Laws, 1913*, ch. 467). For employers to whom the compensation feature of the law applies and who do not accept it, the defenses of assumed risk and fellow servant are abolished, and contributory negligence is supplanted by willful negligence. Willful negligence, furthermore, is made a question for the jury and the burden of proof is placed on the employer. The old defenses hold if the employer accepts the compensation law and his

workers do not. Interstate employees, domestic servants, farm laborers, and casual employees not working in the line of the employer's business or occupation do not come under this compensation law. Voluntary agreement to the law between employer and worker is assumed, unless notice is given to the contrary. Self-inflicted injury and intoxication as a cause of injury are bars to the recovery of compensation, but the burden of proof is on the employer.

The schedule of compensation to injured workers is as follows: Temporary total disability, 50 per cent of wages with a maximum of \$10 and a minimum of \$6 a week, and a time limit of 300 weeks; if wages are under \$6 a week, the full amount of wage is payable. Temporary partial disability, 50 per cent of loss of earning power with the same 300-week limit. Permanent partial disability, on extent of that disability, according to a definite schedule, for example: loss of thumb, 50 per cent of wages for 60 weeks; index finger, 60 per cent for 35 weeks; second finger, 50 per cent for 30 weeks, and so on. The limits of \$10 and \$6 a week hold for permanent partial disability and for permanent total disability. Permanent total disability is defined as loss of both hands, both arms, both feet, both legs, both eyes, or any two of these members or organs, total loss of mental faculties, or total paralysis of both legs or both arms. Here a time limit of 400 weeks' compensation is fixed.

Compensation to dependents is as follows: The widow is to receive 35 per cent of deceased's monthly wages, and for one child 5 per cent additional. Two or three children bring in 15 per cent, making with the widow's 35 per cent a total of 50 per cent. Four or more children are entitled to 25 per cent, making in such cases a total of 60 per cent payable to the widow. The \$6 and \$10 a week limits, the 100 per cent provision of wages under \$6 a week, and the 300-week limit hold here also. A widow remarrying will receive in a lump sum half of the compensation still to be paid unless she has children, in which case the balance of her compensation will go to them. Orphans without parents are to be compensated as follows: 40 per cent for one orphan, 10 per cent for the second orphan, 10 per cent for a third, or a maximum of 60 per cent. A dependent husband is to get 25 per cent; a parent, 25 per cent; two parents, 35 per cent; a dependent brother, sister, or grandparent, 25 per cent; two such relatives, 30 per cent.

In cases of no dependents the following are payable: expenses of last illness, burial expenses up to \$100, medical and surgical treatment, and the necessary devices and medicines to be supplied by employer in all cases of injury for up to 90 days and with a \$100 limit, except that the court may allow an additional \$100.

Except as to medical and surgical treatment, no compensation is paid in the first two weeks after injury. The employer should be notified of accident within 14 days, but 30 days is allowed unless the employer can show that delay has been prejudicial to him, and 90 days if the worker can show that the delay was due to mistake, ignorance, or inability upon his part, or fraud upon the part of the employer. Disputes are to go to the district court. Commutation to lump sum payments can be made with approval of the court where payment is for death, for permanent total disability, or for permanent partial disability. If compensation runs over 6 months, readjustments may be made.

RAYMOND V. PHELAN.

University of Minnesota.

MINNESOTA MINIMUM WAGE LAW, 1913. The persistent work of Dr. John A. Ryan and others in Minnesota for a minimum wage law has been rewarded in the enactment of chapter 547, *Laws, 1913*. The law provides for a commission to be made up of the state commissioner of labor, an employer of woman labor, and a woman who is to be the salaried executive officer of the commission. The state commissioner of labor, Hon. W. E. Houk, is the chairman of this commission, A. H. Lindeke, of Lindeke, Warner & Sons, a wholesale dry goods house of St. Paul, is the employer member, and the executive officer and secretary is Eliza P. Evans, a Minneapolis lawyer, trained in social economics at the University of Minnesota.

A living wage is defined by the law as being sufficient to maintain the worker in health and to supply him or her with the necessary comforts and conditions of reasonable life. The commission is to investigate the wages of women and minors at its own discretion, or upon the request of 100 persons in any occupation employing "women and minors." (It would perhaps be better if it were "women or minors.") Employers are required to keep a register showing the name, address, wages, and hours of each woman and minor employed. There is no provision, however, whereby these registers must be sworn to unless they are brought into a wage hearing. Furthermore, some contend that these registers should be open to the inspection of organizations working for better labor conditions. The law gives the usual powers to hold hearings, subpoena witnesses, administer oaths, and exact testimony and evidence.

When the commission is satisfied that one sixth of the women or minors in an occupation are receiving less than living wages, it may establish a legal minimum for that occupation. Wages are to be

determined for women and minors of ordinary ability, and also for learners and apprentices. An established wage may rule throughout the state or within a restricted area only. There may be special wage rates, by licenses, for women physically defective; but women of this class shall not exceed one tenth of the whole number of workers in any establishment. Penalties of from \$10 to \$50 or 10 to 60 days are to be imposed for violation of the decrees of the commission. Discrimination against an employee who testifies is prohibited. The difference between legally minimum wages and wages actually received is made recoverable by suit together with attorney's fees and costs.

Provision is made for an advisory board in every occupation. These boards, to serve without pay, are to be constituted of three to ten persons, representing employers, an equal number representing workers, and one or more disinterested persons (not to exceed the number of representatives of either of the other parties). At least one fifth of any board shall be women and at least one representative of the public shall be a woman. The commission is to make rules and regulations governing the selection of members and the procedure of the advisory boards, which have equal powers with the commission in obtaining data in regard to wages and standards of living. By a majority vote an advisory board may recommend wage rates, to be reviewed and passed upon by the commission.

RAYMOND V. PHELAN.

A minute and special study of *Wages and Hours of Labor in the Lumber, Millwork and Furniture Industries, 1890 to 1912*, has been made by the federal Bureau of Labor Statistics under the direction of Fred C. Croxton (Washington, Aug. 14, 1913, pp. 178). The increase of wages between 1890 and 1912, per hour, is found to be 29 per cent. The bureau is to be commended in thus undertaking to analyze wages intensively for separate industries.

A more comprehensive report by the same bureau is *Union Scale of Wages and Hours of Labor 1907 to 1912* (Aug. 15, 1913, pp. 121). This covers 40 trades in 39 industrial cities. In certain trades wages are shown back to 1890.

Employers Welfare Work is the subject of bulletin 123 of the United States Bureau of Labor (Washington, May 15, 1913, pp. 80), prepared by Elizabeth L. Otey. Studies are made of some 50 establishments in about a dozen representative lines of industry.

The United States Bureau of Labor Statistics is publishing a separate series of studies in regard to the employment of women in industry.

No. 2 of this series is entitled *Working Hours of Women in the Pea Canneries of Wisconsin* (May 5, 1913, pp. 54); and No. 3, *Employment of Women in Power Laundries in Milwaukee* (May 15, 1913, pp. 92). Each of the studies was made by Marie L. Obenauer.

The bureau has also published *Wages and Hours of Labor in the Cotton, Woolen, and Silk Industries, 1890 to 1912* (Aug. 14, 1913, pp. 206); *Ten-Hour Maximum Working-Day for Women and Young Persons* (No. 118, Apr. 10, 1913, pp. 71); and *Prohibition of Night Work of Young Persons*, No. 117, Apr. 10, 1913, pp. 74.

The Bureau of Mines has recently published a pamphlet on *Sanitation at Mining Villages in the Birmingham District, Alabama*, by Dwight E. Woodbridge (Washington, Department of the Interior, 1913, pp. 27). As a result of improvements during the past few years there has been an increased efficiency of workmen.

The *Report of the Special Commission to Investigate the Conditions of Wage-Earning Women and Minors in the State, 1913*, represents an investigation ordered by the legislature of Connecticut in 1911 (Hartford, 1913, pp. 297). Owing to lack of adequate opportunity the inquiry was limited to the textile, corsets, and metal trades; 50 factories were investigated in 14 localities; wage data were collected from 9103 women.

Dr. C. C. Williamson has prepared for the New York Public Library a bibliography on *The Minimum Wage. A Preliminary List of Selected References* (New York, 1913, pp. 9). Suggestions of additional titles are invited.

The British Board of Trade has published the eighth volume of the *Report of an Enquiry into the Earnings and Hours of Labour of Work-people in the United Kingdom* (London: Wyman, 1913, pp. xxxv, 298). For earlier issues see REVIEW, volume II, page 446. This volume covers some 40 different industries, including the paper, printing, pottery, brick, glass, chemical, tobacco, and food trades.

In 1912 the Commonwealth Bureau of Census and Statistics of Australia began the publication of labor statistics. Two volumes were published by the Labour and Industrial Branch; *Prices, Price Indexes and Cost of Living in Australia* (Dec., 1912) and *Trade Unions, Unemployment, Wages and Cost of Living* (April, 1913). In May of this year it began the issue of a quarterly "Labour Bulletin." No. 2 (August, 1913) contains an abstract of the laws of the several Australian states on workmen's compensation (pp. 132-138).

Bulletin 111 of the Bureau of Labor is a review of *Labor Legislation of 1912*, by Lindley D. Clark (Washington, Dec. 13, 1912, pp. 263). This is the fourth annual review of labor legislation made by the bureau. A useful table shows the principal features of laws relative to workmen's compensation and insurance, in which specific references are given to statutes. Fifteen states shared in this legislation. The bulk of the bulletin is made up of copies of laws, preceded, however, by a topical analysis. There is also a cumulative index of previous bulletins dealing with legislation, and decisions relating thereto.

The Federal Bureau of Labor Statistics has reprinted with an explanatory introduction the *Report of the Industrial Council of the British Board of Trade on its Inquiry into Hospital Agreements* (Aug. 18, 1913, pp. 41).

Bulletin No. 2 of the Nebraska Legislative Reference Bureau contains the *Preliminary Report; Employers' Liability and Workman's Compensation Commission* (Lincoln, Dec. 20, 1912, pp. 48). Tables are given showing "court business from personal injury cases." In 95 cases reported upon, \$29,666 was given in judgments for the plaintiff.

Mr. I. N. Day has made a *Compilation of Opinions and Decisions upon the Subject of Employers' Liability and Workmen's Compensation, together with Statistics and Legislation Applicable Thereto* (Portland, Oregon, 1913, pp. 92). There are chapters on common law rules, opinions of publicists, and remedial legislation.

There is also to be noted the *Report of the Missouri Commission on Employers' Liability and Workmen's Compensation* (Jefferson City, Jan., 1913, pp. 145). This is largely made up of testimony at hearings.

The Industrial Accident Board of California has published a pamphlet on *Reports of Cases* determined in 1912 (Sacramento, 1913, pp. 58).

The subject of arbitration is also treated in a report of the Committee on Interstate Commerce, *Mediation, Conciliation, and Arbitration in Controversies between Railway Employees and their Employers* (Sen. Rep. No. 72, 63 Cong., 1 Sess., July 10, 1913, pp. 100). The report occupies but two pages followed by the hearings.

The Bureau of Statistics of Massachusetts has published in advance, part II of its annual report for 1912, entitled *Labor Bibliography 1912* (Boston, State House, July 15, 1913, pp. 71). Books and periodical titles are grouped under 30 sections.

The Bureau of Labor and Statistics of Arkansas has recently issued *The Compiled Labor Laws of the State of Arkansas* (1913, pp. 64).

The Bulletin of the Industrial Commission of Wisconsin for May 20, 1913, contains a historical account of the operations of the *Wisconsin Free Employment Offices* (Madison, 1913, pp. 193-238).

Money, Prices, Credit, and Banking

THE REVISION OF THE CANADIAN BANK ACT. The Canadian bank act, as is well known, is subject to decennial revision. The last revision was due to take place in 1910; but owing to circumstances which it is not necessary here to describe, it was not until the present year that the work was finally undertaken. The leading features of the Canadian banking system are so well known that they may be passed over, and the nature and causes of the recent changes in the act alone described. There were many minor modifications, but the essential changes effected were: (1) provision for a shareholders' audit, (2) the creation of central gold reserves, and (3) the providing of additional facilities for making loans to farmers.

In the recent revision of the act the public was most deeply concerned with the problem of securing an adequate system of bank inspection. The immediate reason for this was the disastrous failure of the Farmers' Bank. This institution had gambled away its resources on the Keeley mine; and had, in its failure, brought many farmers as well as others to the verge of ruin. For several years previous, however, there had been an insistent demand for some sort of external bank inspection, the principal advocate of the change being Mr. H. C. McLeod, late general manager of the Bank of Nova Scotia. In response to this demand several banks of their own accord had established a shareholder's audit to supplement the ordinary system of internal examination.

The banks as a whole have been opposed to any change in the method of inspection. The reason they advance is that the keynote of the organization of Canadian banks has always been the centralization of responsibility; and they do not think it wise to divide that responsibility with any outside authority. In accordance with this belief they have hitherto depended, and will continue to depend, upon their own officers to safeguard their own interests as well as those of the public. Inspectors appointed by the general manager visit the branches at irregular intervals, and make a thorough examination of the books, and the nature of the collateral held. These men are thoroughly competent, have had years of banking experience, and

are in receipt of large salaries. They are experts who perform their work with a deep sense of the responsibilities involved.

In addition to this, each large branch bank is in daily communication with the head office, either by wire or by letter. Branch banks are obliged to conduct their business in conformity with certain regulations. They must furnish weekly accounts to the head office of all loans and discounts; and at the end of each month a detailed statement of resources and liabilities, together with a description of all collateral security held. The board of directors at the head office is consulted on all important business. Even the general manager is subject to some oversight by a special representative of the directors; he is responsible to them alone; and while he is given certain routine duties to perform, his main business is to keep the directors informed of important developments.

A concrete example of the nature and cost of the work of inspection of a Canadian bank may be seen by examining the methods followed in the Canadian Bank of Commerce in 1912. That institution had 370 branches to be inspected. There were employed, for that purpose, 14 officers of the highest grade, whose salaries amounted to \$46,000. In addition, there were engaged upon the work a large number of ordinary audit officers and assistants at salaries amounting to \$14,800. The services of clerks, messengers, and stenographers cost \$8,000; traveling expenses amounted to \$23,000; and charges for rent, light, stationery, etc., to \$13,000, making a total of \$102,762 for one inspection of this bank. The head office, as well as each branch, was also inspected.

As far as the public is concerned, however, it has no means of judging of the soundness of a bank except by examining the monthly returns which are required by law from each bank. These returns are fairly comprehensive, and have been made more so by the revision of the act this year. The minister of finance may call for supplementary information from any bank, whenever, in his judgment, such data are required to afford a fuller knowledge of a bank's affairs. Of course, these returns can be taken only for what they are worth. In the case of several failed banks the returns were made with every degree of falsification, because no independent checking of the figures was possible.

Since confederation (1867), there have been a number of disastrous bank failures in Canada. The worst failures were those of the Exchange Bank, the Ontario Bank, the Sovereign Bank, and the Farmers' Bank. Canadian bankers have insisted, however, that the collapse of the Ontario Bank and the Sovereign Bank cannot be taken as actual

failures. The Ontario Bank was taken over by the Bank of Montreal and liquidated by that institution. The Sovereign was absorbed by a group of banks which divided its offices among them. The object in each case was chiefly to prevent a general panic. The mere placing of the words "Bank of Montreal" on the banking houses of the defunct Ontario Bank stopped the run which had begun on that institution. The Farmers' Bank, however, was left to its fate. Leading bankers had on more than one occasion opposed the granting of a charter to that bank; and the sudden collapse of its career of high finance occasioned no surprise to the bankers of the country.

Since confederation, eleven banks have failed in Canada; but it must be remembered that not all of these could have been chartered under the present act. The true perspective, moreover, cannot be secured by reference to mere numbers. The proper method is to compare the total assets of the banks that have failed since confederation, with the total assets of the banks as they exist at the present time. This is obviously the correct method to follow; for Canada possesses few banks—only twenty-four in 1913—and therefore a reference to mere numbers gives a grotesque view of the situation. The following figures may prove useful in making the situation clear:

1. Total assets of Canadian banks which have failed since confederation	\$77,780,419
2. Total assets of Canadian banks as on December 31, 1912....	1,526,081,158
3. Total liabilities to the public of Canadian banks as on December 31, 1912	1,292,451,137
4. Total losses by creditors (excluding shareholders) from bank failures since confederation	6,090,357
5. Total losses by creditors through failures of banks which could have been organized under the present bank act	2,176,966

Nevertheless, in obedience to the strong demand for some sort of independent bank examination, provision was made in the recent revision of the act for a shareholders' audit of each bank's affairs. The auditors are to be chosen by the shareholders from a list of 40 names selected by the whole body of the general managers of the banks. The list must be submitted to the minister of finance for his approval. If one third of the shareholders of a bank are dissatisfied with the auditor appointed by the majority, they may appeal to the minister for the appointment of another auditor.

The auditors must examine the books and accounts, cash, securities, documents and vouchers of the head office of the bank. They are empowered, moreover, to require from the directors and officers of the bank such information as may be necessary for the proper perform-

ance of their duties. They are given access to the returns of the branch banks to the head office; and they may, at their discretion, visit any branch or agency for the purpose of examining its books and accounts. The auditors must submit a statement of their findings to the shareholders at the annual meeting, or on any other occasion the necessity may require. In addition the minister of finance may require a special return to be made to him, the cost of the service rendered being paid for by the government.

Canadians would be wise not to expect too much from this system of external examination. After all, it can do no more than verify a bank's statements and books. It cannot guarantee the quality of the assets held, which is the matter of paramount importance; neither can it safeguard loans which are approved of by the directors. In every large undertaking, the soundness of the transaction must depend, as before, upon the judgment of the general manager and the board of directors.

The establishment of central gold reserves is the most important feature added to Canada's banking system by the legislation of 1913. As is well known, the banks under the old act were able to issue notes to the amount of their unimpaired paid-up capital; and from September 1 to the end of the following February—that is, during the period of moving the crops—an additional amount equal to 15 per cent of their combined capital and surplus. Under the new act each bank may issue any amount of notes that it may desire, provided that it deposits with a board of trustees, at Montreal, gold or Dominion notes to the full amount of the notes issued. These notes are to be identical in form with the ordinary notes of the bank. The gold or Dominion notes deposited with the trustees shall be returned to the bank whenever the notes which the bank has outstanding do not amount to the paid-up capital of the bank together with the amount of legal tender money deposited with the trustees. In other words, the banks can still issue their notes up to the full amount of their paid-up capital, and an additional amount from September 1 to the end of the following February, which, as has been explained, may equal 15 per cent of a bank's combined capital and surplus. It is only for notes issued in excess of these amounts that legal tender money must be deposited with the trustees at Montreal. It should be observed, however, that the banks pay a tax of 4 per cent on the extra issue during the crop-moving period, whereas there is no tax upon gold-reserve notes. And as Canadian banks are not required to keep a legal reserve against their demand liabilities, there is no reason why the idle gold in their

reserves should not be sent to Montreal to form the basis of new note issues, especially when it is considered that the gold may be recalled at once when no longer needed to cover notes.

The Canadian Bankers' Association, with the approval of the minister of finance, appoints three members of the board of trustees, and the minister himself a fourth. The association is given power to make by-laws, rules and regulations, respecting the custody and management of the gold reserves.

The value of this new feature of the act will be clearly seen from a consideration of the following facts. According to the quarterly statement of April 30, 1913, the paid-up capital of the Canadian banks was \$115,799,217 and the rest (or surplus) \$108,414,337—a total of \$224,213,554. The emergency circulation, therefore, of the autumn and winter might, had it been necessary, have reached 15 per cent of this sum, about \$33,000,000. In November, 1912, the emergency circulation actually approached \$10,000,000; and the margin available at that time was, therefore, \$20,000,000. Ordinarily that margin would be ample; but circumstances might easily arise where such a margin would be wiped out. In times of stress, a comparatively insignificant action may start a run on a bank. At the end of April, 1913, the deposits payable on demand in Canada were \$365,340,002, and those payable after notice \$631,160,280, a total of \$996,500,282. In November, 1912—a month when the pressure is usually greatest—the deposits were \$16,000,000 higher. To meet a run on such a large amount, a good deal more than \$20,000,000 might be needed. It should here be explained that the deposits payable "after notice" are practically demand deposits in Canada. The new provision does much to economize time, and to bring prompt relief in a dangerous situation. By pooling their gold holdings in a central reserve the banks can immediately receive additional circulation in the form of notes, and still retain control of the gold. The banks can always keep an amount of their own notes on hand to be used for such a purpose. True, the banks can secure Dominion notes in exchange for gold; but it always takes time to get governmental machinery in motion. Moreover, in that case the banks part with their gold; whereas, under the new scheme, the gold is merely concentrated in the reserves at Montreal. But not only for periods of stress, but under normal conditions, will the new provision be valuable. In June, 1912, the circulation of the banks was within \$2,000,000 of the authorized limit; and much anxiety was felt lest that limit be reached. The ability, therefore, to issue notes to any amount required, on a gold basis, will greatly strengthen the position of the banks.

The third important new feature in the revision of the act is the power given to the banks to make loans to farmers on grain which is stored on the farm and still in the farmer's possession. The Canadian banks, in addition to conducting the ordinary business of banking, have been permitted to assume very important functions in aiding the manufacturing and wholesale trade of the country. To such an extent is this true that in many cases they have been "silent partners" in Canadian industry. The permission granted them to loan money to farmers on stored grain in the latter's possession is an attempt to extend to the farmers aid similar to that hitherto granted to manufacturers and wholesalers alone. It should not be thought, however, that the banks have not always granted loans liberally to farmers. While they have refused to make advances of capital to the farmers to be invested in fixed forms (land and buildings), they have always provided money for working capital (machinery, tools, seed, etc.) at reasonable rates on fair security.

The possibility of making advances to the farmers on their grain is expected to be of especial benefit to the West. There, the farmer has been compelled to close his financial year about the first of November. The reason therefor is that the West is a big borrowing country; and to a large extent depends upon the storekeeper and the implement dealer for credit. Dealers in agricultural implements have made farmers' notes fall due about November 1, each year. The result is that the farmer has been obliged to throw his produce on the market in September and October, as soon as the grain is threshed, in order to secure the necessary funds to meet his obligations. This unfortunate state of affairs has helped to create a grain blockade each year. The grain thus thrown on the market in surplus amounts tends to lower prices, to the detriment of the farmer. It is hoped that, under the new legislation, the farmer will be able to hold his grain for higher prices; and in the meantime secure accommodation from the banks to meet his obligations. Many bankers, however, refuse to see any remedy for the situation in the new legislation. They maintain that it will involve too much risk to extend loans on grain over which the farmer continues to assert control. Only the operation of time will enable us to estimate the value of this feature of the act.

There are many other important features of the act which, owing to limits of space, cannot be discussed here, but must be reserved for a future article. The points considered, however, cover the principal new features of Canadian banking.

W. W. SWANSON.

The Library of Congress has issued a new *Select List of References on the Monetary Question*, compiled by H. H. B. Meyer and W. A. Slade (Washington, 1913, pp. 247). This, in a measure, takes the place of lists published in 1903 and 1908. The collection of a library for the National Monetary Commission gave opportunity for including many new titles, through the coöperation of Mr. Slade, formerly librarian of the National Monetary Commission. Titles are listed by countries and also under special topics, or crises, guaranty of bank deposits, clearing houses, and foreign exchange. There is also a 13-page author index and an 8-page subject index.

The hearings before the Senate Committee on Banking and Currency have been printed for the use of the committee. Up to October 20, 2,671 pages had been printed.

Among the numerous pamphlets called forth by the introduction of the currency bill are to be noted:

The Federal Reserve Act, containing in parallel columns the text of the act as introduced June 26, 1913, and text as amended and passed by the House, September 18 (Fourth National Bank, New York, pp. 44).

The Administration Currency Bill, by George M. Reynolds, an address before the Minnesota Bankers' Association, July 10, 1913 (Continental and Commercial National Bank, Chicago, pp. 22).

Reviewing Proposed Banking and Currency Bill, by James B. Forgan (First National Bank, Chicago, pp. 18).

A helpful study for students of the cost-of-living problem is *Sugar Prices, from Refiner to Consumer*, by N. C. Adams, published by the federal Bureau of Labor Statistics (Washington, Retail Prices and Cost of Living Series, No. 7, May 14, 1913, pp. 42). The study covers more particularly the years 1901, 1905, and 1910-1912. It is restricted to conditions in New York City, Pittsburgh, and Chicago.

With the *Bulletin of the National Federation of Remedial Loan Associations* for August, 1913, containing the "Proceedings of the Fifth Annual Convention, June 19-21, 1913," there is included a broadside showing the work of remedial loan associations for 1912-13 in statistical form (902 F St., N. W., Washington, D. C.).

On page xxvi of the *Annual Report of the Bank Commissioner of Massachusetts, 1912, Part II, Relating to Coöperative Banks, Savings and Loan Associations, and Credit Unions* (Boston, 1913) it is noted that 26 credit unions have been organized since the last of 1909. The growth is slow, owing largely to lack of information.

In the *Third Biennial Report of the Bank Commissioner of Oklahoma* (Oklahoma City, Dec. 15, 1912), reference is made to the operation of the guaranty law. In the two years covered by the report, emergency assessments were made amounting to $1\frac{3}{4}$ per cent on the average daily deposits of all banks. The experience of each bank which has failed is summarized.

The following reports of proceedings of annual conventions of state bankers' associations for 1912 have been received:

Twentieth Annual Convention of the Alabama Banker's Association, Mobile, May 17-18, 1912 (McLane Tilton, Jr., secretary, First National Bank, Pell City, pp. 131).

Twenty-second Annual Convention of the Arkansas Bankers' Association, Little Rock, May 28-29, 1912 (Robert E. Wait, secretary, Little Rock, pp. 198).

Eighteenth Annual Convention of the California Bankers' Association, Long Beach, May 23-25, 1912 (Frederick H. Colburn, secretary, Savings Union Bank Bldg., San Francisco, pp. 56).

Thirteenth Annual Meeting of the Connecticut Bankers' Association, New London, June 18-19, 1912 (Charles E. Hoyt, secretary, South Norwalk, pp. 16).

Nineteenth Annual Session of the Florida Bankers' Association, Key West, April 4-5, 1912 (George R. DeSaussure, secretary, Jacksonville, pp. 58).

Twenty-first Annual Convention of the Georgia Bankers' Association, Atlantic Beach, Fla., May 24-25, 1912 (Haynes McFadden, secretary, Atlanta, pp. 156).

Eighth Annual Convention of the Idaho Bankers' Association, Coeur d'Alene, June 17-19, 1912 (E. H. Plowhead, secretary, Caldwell Commercial Bank, Caldwell, pp. 119).

Twenty-sixth Annual Convention of the Iowa Bankers' Association, Cedar Rapids, June 5-6, 1912 (Percy W. Hall, secretary, Des Moines, pp. 216).

Twenty-fifth Annual Convention of the Kansas Bankers' Association, Topeka, May 23-24, 1912 (W. W. Bowman, secretary, Topeka, pp. 209).

Convention Proceedings of the Louisiana Bankers' Association, Covington, April 26-27, 1912 (L. O. Broussard, secretary, Abbeville, pp. 96).

Twenty-third Annual Convention of the Minnesota Bankers' Association, St. Paul, June 14-15, 1912 (Charles R. Frost, secretary, Minneapolis, pp. 199).

Ninth Annual Convention of the New Jersey Bankers' Association, Atlantic City, May 3-4, 1912 (William J. Field, secretary, Commercial Trust Co., Jersey City, pp. 152).

Nineteenth Annual Convention of the New York State Bankers' Association, Buffalo, June 13-14, 1912 (William J. Henry, secretary, 11 Pine St., New York, pp. 262).

Tenth Annual Convention of the North Dakota Bankers' Association, Jamestown, June 19-20, 1912 (W. C. McFadden, secretary, Commercial Bank, Fargo, pp. 303).

Twenty-second Annual Convention of the Ohio Bankers' Association, Cedar Point, July 2-3, 1912 (S. B. Rankin, secretary, 805 Wyandotte Bldg., Columbus, pp. 202).

Eighteenth Annual Convention of the Pennsylvania Bankers' Association, Bedford Springs, June 18-19, 1912 (D. S. Kloss, secretary, First National Bank, Tyrone, pp. 214).

Twenty-first Annual Convention of the South Dakota Bankers' Association, Belle Fourche, June 26-27, 1912 (J. E. Platt, secretary, Security Bank, Clark, pp. 160).

Twenty-eighth Annual Convention of the Texas Bankers' Association, San Antonio, May 7-9, 1912 (J. W. Hoopes, secretary, Austin National Bank, Austin, pp. 131).

Third Annual Convention of the Vermont State Bankers' Association, Montpelier, Feb. 22, 1912 (C. S. Webster, secretary, Barton, pp. 60).

Nineteenth Annual Convention of the Virginia Bankers' Association, Old Point Comfort, June 20-22, 1912 (Walker Scott, secretary, Farmville, pp. 240).

Eighteenth Annual Convention of the Wisconsin Bankers' Association, Milwaukee, July 24-25, 1912 (George D. Bartlett, secretary, Milwaukee, pp. 278).

Public Finance

In *General Statistics of Cities: 1909*, to be distinguished from the annual series on *Financial Statistics of Cities*, published by the Bureau of the Census (Washington, 1913, pp. 197), data are given in regard to sewers, refuse disposal, street cleaning, and highways. A table on page 190 shows wages of city employees by specified classes. Of special service is the paragraph on page 15, indexing the years in which various branches of municipal service have been reported in this series of reports.

Relating to the income tax provision of the new tariff is *The Income*

Tax: Opinions of J. K. Shields, C. Hull, and T. M. Gordon (Sen. Doc. No. 171, 63 Cong., 1 Sess., Aug. 26, 1913, pp. 20).

Additional public documents relating to the recent tariff legislation are:

Report to Accompany H. R. 3321. A bill to reduce tariff duties, to provide revenue for the government and for other purposes, together with views of minority and statistical data (Washington, H. R. No. 5, 63 Cong., 1 Sess., 1913, pp. 814).

Tariff Handbook. Report on H. R. 3321, together with a comparative presentation of the text of the law of 1909, and H. R. 3321 as it passed the House and as the same was reported to the Senate. This contains statistical comparisons of imports, exports, rates of duties, and revenues for 1896, 1905, 1910 and 1912. It was prepared for the use of the Committee on Finance (Washington, 1913, pp. 484).

Tariff Schedules, Briefs and Statements Filed with the Committee on Finance, United States Senate, 63 Cong., 1 Sess., on H. R. 3321 (Washington, 1913, 3 vols., pp. 2309). Volume 1 deals with schedules A to H; volume 2 with schedules I to L, and volume 3 with schedules M and N, free list, customs administration and income tax. The last volume also contains a subject index. Briefs printed in the hearings before the House Committee on Ways and Means are not duplicated in this collection.

Tariff Schedules. Hearings before Sub-committee of the Committee on Finance (Washington, 1913, pp. 824).

Notes on Tariff Revision, 1913. An Analysis of the Tariff Bill as Passed by the House of Representatives, and as amended and reported to the Senate by the Senate Committee on Finance, with particular reference to the meaning and effect of the changes in phraseology and the new provisions introduced therein (Washington, 63 Cong., 1 Sess., Sen. Doc. No. 136, July 23, 1913, pp. 262).

Conference Report on H. 3321, to Reduce Tariff Duties and to Provide Revenue for Government (H. Rep. No. 86, Sept. 29, 1913, pp. 39).

Sugar at a Second Glance. An article on the influences of our high tariff on sugar, upon the ultimate price to consumers, and as affecting the high cost of living, By Frank C. Lowry (Sen. Doc. No. 23, 63 Cong., 1 Sess., May 6, 1913, pp. 106). In this, Mr. Lowry, secretary of a committee of wholesale grocers, makes a reply to *Sugar at a Glance*, by Truman G. Palmer, previously published as a Senate document.

Under date of April 7, 1913, the Tax Commission of Massachusetts issued a brief pamphlet in reference to a certain legislative inquiry

in regard to the amount of untaxed intangible property within the state and what steps could be taken to secure its taxation (H. Doc. 2290, pp. 9). From the returns made for the taxation of legacies and successions, it is estimated that the amount of personal property is $3\frac{1}{2}$ times the amount of real estate. This would give \$11,358,000,000 as the true valuation of all the personal property in the state. Allowing for one half as exempt under the law, it is contended that there is \$4,646,000,000 of intangible personalty which is not disclosed.

The Bureau of Statistics of Massachusetts has published as "Municipal Bulletin" No. 5, *Laws Relating to Municipal Finance* (July, 1913, pp. 44). Of importance is the new law relating to the borrowing of money.

In the *Fifth Annual Report on the Statistics of Municipal Finance of Massachusetts for 1910* (Boston, State House, Bureau of Statistics, 1913, pp. xxx, 263), Mr. Gettemy notes the steady progress in accounting reform.

The *Annual Report of the School Committee of Newton, Mass.*, for 1912, contains a report of Mr. F. E. Spaulding, superintendent of schools, in which an exhaustive analysis is made of the cost of public schools by different grades, with comparisons with other cities and towns in Massachusetts (pp. 151).

Mr. C. B. Fillebrown (77 Summer St., Boston) has for distribution *Thirty Years of Henry George* (pp. 15) in which the progress of taxation of land and the unearned increment is briefly summarized; and also *A 1914 Single Tax Catechism*, a twelfth revision (pp. 16).

The New York Tax Reform Association has issued *Tax Legislation of New York, 1913* (pp. 4), and *Tax Legislation and Pending Constitutional Amendments, 1913* (pp. 7). The latter is a summary of legislation in different states. (Bulletins Nos. 546 and 547, 29 Broadway, New York.)

Reprints have also been made by the same association of *Abolition of Personal Taxation*, an address presented to the First New York State Conference on Taxation in 1911, by Lawson Purdy; and of *Interstate Comity and Double Taxation*, an address before the Second Conference on Taxation in 1912, by David Rumsey.

Mayor Blankenburg of Philadelphia has published a pamphlet on *Real Estate and Its Taxation in Philadelphia*, prepared by Robert D. Dripps and Arthur E. Post. Proposals are made in regard to improvement in assessment of realty which is regarded as the "most depend-

able subject for permanent taxation." (Philadelphia, May 1, 1913, pp. 56.)

From the office of the attorney general of Minnesota has appeared an annotated reprint of the *Inheritance Tax Law of Minnesota* (Minneapolis, 1913, pp. 25). This contains brief historical notes.

The issue of August 29, 1913, of the "I. B. A. of A. Bulletin" (111 West Monroe St., Chicago, pp. 40) contains a report on the constitutionality of exempting securities from taxation or taxing them at a lower rate than tangible property in the various states. The report was prepared by W. H. Lyon, assistant counsel of the Investment Bankers Association of America. The laws of each state are briefly summarized.

Demography

A bulletin on *The Immigrant Population of Massachusetts*, part I of the *Annual Report on the Statistics of Labor for 1912 of the Massachusetts Bureau of Statistics* (Boston, April 30, 1913, pp. 90), consists of a re-publication of data relating to Massachusetts contained in three different federal sources, *viz.*, the last annual report of the Commissioner General of Immigration, the 1910 census, and the report of the United States Immigration Commission. Of these, the latter supplies over two thirds of the matter of the bulletin.

The general results are not surprising, the facts being pretty well known. Massachusetts receives about 8 in 100 of the immigrant aliens; of the older groups of immigrants a larger proportion; of the newer groups a less proportion; those of Slavonic and Iberic origin making 68 per cent of total admissions, but only 40 per cent of Massachusetts admissions. South Italians, Poles, and Irish make up her largest quota, and of Portuguese she receives 52.8 per cent of all those arriving.

The census figures for birth and parentage are given for Massachusetts as a whole, in summary shape for all cities of 10,000, and more fully for Boston, Cambridge, Fall River, Lowell, and Worcester (not, however, by *wards*, though these figures are now available). The largest foreign-born groups in the state are the natives of Ireland, Canada (of whom the French element is less than half), and Russia. Until, however, the census figures of mother tongue are published there is no way of disentangling the latter most heterogeneous group of Jews, Poles, Finns, Lithuanians, Germans, Ruthenians, Russians, and others, though the immigration data show the proportions in which they are represented year by year among arrivals.

It is desirable that the federal immigration authorities should furnish the numbers not only of those destined to the state in general but of those destined to Boston and other chief cities. These data are extant, and if considered too detailed for federal publication they might well be furnished to the State Bureau of Statistics.

The figures of the Immigration Commission are, unfortunately, open to considerable criticism. In some cases conclusions are based on too few data, as, for instance, data (p. 33) as to naturalization among Poles (29 individuals investigated). Still worse, it is not always possible to judge, at any rate by immediate inspection, on what numerical basis a statement rests. Again, data drawn from selected cases are liable to represent not racial contrasts but to reflect the line of choice. In other cases a mountain of statistics produces a *ridiculus mus* of results; for instance, proof that immigrants under fourteen on arrival are more apt to know English than those older on arrival, and that those who have been longer in the country speak English more generally than those more recently come.

Perhaps the most surprising figures are those as to "charity seekers." Of over 1,000 new "charity organization cases" in Boston only 240 were foreign-born of the non-English-speaking groups (English-speaking foreign-born 380), while of the second generation (native born of foreign father) there were only 48 in all (as against 342 of the much smaller total of the native born of native father.) E. G. BALCH.

The Children's Bureau of the United States Department of Labor has issued a pamphlet on *Baby Saving Campaign*, representing a preliminary report on what American cities are doing to prevent infant mortality (Washington, Infant Mortality Series, No. 1, 1913, pp. 93).

This bureau has also made a convenient *Handbook of Federal Statistics of Children, Part 1*, which contains tables showing the number of children, with their sex, age, race, nativity, parentage, and geographic distribution (Washington, Bureau Pub., No. 5, 1913, pp. 99).

In the *Second Annual Report of the Bureau of Industries and Immigration of New York, for 1912*, of which Miss Frances A. Kellor is the directing head (95 Madison Avenue, New York, pp. 29), note is made of the widening interest in organized effort to deal with the needs of alien residents. Other states are following the lead of New York in establishing state immigration commissions.

The agitation for improved vital statistics is well illustrated in the pamphlet *The Registration of Vital Statistics a Good Business*, an address delivered before the Annual Conference of Health Officers of

Indiana May 13, 1913, by Lewis I. Dublin, Statistician of the Mutual Life Insurance Company of New York (pp. 16).

The Thirty-Third Annual Report of the Associated Charities of Boston for 1912 contains a brief study of the Slavs in South Boston (pp. 25-28).

The "Volta Review" has recently issued a four-page leaflet descriptive of a forthcoming publication on graphical studies of marriages of the deaf (35th St. and Volta Place, Washington).

Bulletin XV of the *Fifth Census of Canada* concerns the *Educational Status of the People* (Ottawa, June 10, 1913, pp. 8).

Bulletin XVII (Sept. 17, 1913, pp. 7) deals with *Infirmities*, giving statistics of the defective classes including those of "unsound mind."

The appendix to bulletin 18 (June, 1913), of the "Monthly Summary of Australian Statistics" is devoted to *Statistics of Small-pox and Vaccination in Australia and Other Countries* (Commonwealth Bureau of Census and Statistics, Melbourne, Aug. 14, 1913, pp. 13). There are statistics for the United Kingdom, continental countries, Japan as far back as 1881, and for the United States since 1899. There is a brief bibliography.

Insurance and Pensions

MISSOURI ORR LAW AGAINST COMBINATIONS OF INSURANCE COMPANIES. In the early months of this year the legislature of the state of Missouri enacted an anti-trust law known as the Orr law, at the same time repealing the Oliver law of 1911, under which the fire insurance companies of the state had been operating. One section of the Orr law read as follows:

In any proceeding against or prosecution of any insurance company under the provisions of this article, it shall be *prima facie* evidence that such company is a member of a pool, trust, agreement, confederation or understanding to control, affect, or fix the price or premium to be paid for insuring property against loss . . . if it be shown that such company or any agent or representative thereof in writing insurance has used any insurance rate, . . . prepared, published, kept or furnished by any person, association of persons or bureau employed by, representing or acting on behalf of any other insurance company or association in and about the making and publishing of insurance rates for use in any portion of this state.¹

In the middle of April, representatives of leading fire insurance companies met in Philadelphia and voted to cease operations in Missouri after April 30. The Western Union, though in session in Philadelphia at the same time, took no action, fearing to violate the anti-trust

¹ House bill No. 477, Sec. 10,313 A; approved March 29, 1913.

law.² Shortly after, in the same month, representatives of those companies not participating in the Philadelphia conference met in Pittsburgh and likewise decided that the companies could not safely transact business in Missouri while the Orr law was in force.³

Close upon the heels of this decision to suspend business, Superintendent of Insurance Revelle announced that he would revoke the license of any company taking such action. He stated that a company could not suspend and that the only course open was to withdraw from the state, in which case he would revoke the licenses. In reply, the companies announced that if this were done, they would cancel all insurance in force in the state. Obviously, if the insurance superintendent revoked the licenses held by the various companies, the latter would have no power to do business in the state. It is difficult, therefore, to see how the companies could legally act in any other way, assuming that the insurance superintendent carried out his announced intention. At any rate, the threat caused the attorney general to take action, and he instituted two proceedings before the supreme court of the state in the nature of *quo warranto*. Both charged conspiracy to cease selling fire insurance in the state. One of the proceedings in addition merely asked that an injunction issue to prevent the cancellation of policies already in force.⁴ The second proceeding asked also for an injunction to prevent the companies from refusing to do a general fire insurance business and from refusing to write and sell insurance.⁵

On Monday, April 28, the court in the latter case granted a temporary injunction, but only upon the point of cancelling the insurance in force.⁶ On April 30 the companies suspended and in June Super-

²The resolutions of the Philadelphia meeting were as follows: "We, therefore, *each for ourselves*, have decided that we will on the 30th day of April, 1913, cease to directly or indirectly grant insurance on property in the state of Missouri until some safe and practical method for doing business in that state shall have been devised." Italics are the writer's.

³*Spectator*, May 1, 1913, p. 210.

⁴*State of Missouri ex. rel. John T. Barker, Attorney General v. Amazon Fire Insurance Company and 105 others.*

⁵*State of Missouri ex. rel. John T. Barker, Attorney General v. Assurance Company of America and 181 others.*

⁶One should note in fairness to the companies that the resolutions of the Philadelphia meeting cited in the footnote above were merely a decision to cease the writing of new business, after April 30. So far as the cancellation of the insurance in force was concerned, the companies seemed to have felt that this was the only result that could logically follow a revocation of licenses. Apparently, from the first they had no desire to cancel existing insurance.

intendent Revelle cited all of them to show cause on July 1 why their licenses should not be revoked.⁷ Before that date, however, the supreme court handed down a decision (June 28) holding that the fire insurance companies must answer the charge of conspiracy. The court also issued a temporary injunction, practically identical with that issued in April, against their cancelling insurance contracts already in force. Attorney General Barker then began preparations for a hearing on the conspiracy cases which were scheduled to begin August 1, but on August 12 the companies resumed business in the state and the difficulty was over.

To understand the nature of this controversy it is necessary to go back to the Oliver law of 1911. In essence, this law was a state rating law. Every insurance company was required to file with the insurance superintendent general basis schedules giving the charges, credits, terms, privileges, and conditions in any way affecting the rates. After the filing of these basis schedules, the company was further required to file rates for each risk or class of risks as derived from the basis schedules. The superintendent of insurance was empowered to investigate whether the rates were unreasonable or discriminatory, and if found so to be he was authorized to determine what schedule of rates would be reasonable and just, and to direct the companies to file new rates not in excess of those found reasonable by him.⁸

Under the provisions of this bill a considerable reduction in rates and hence in premium income seems to have taken place.⁹ Now since 1909 the loss ratio in Missouri has been the following:

1909.....	59.3 per cent
1910.....	60.0 " "
1911.....	76.5 " "
1912.....	72.5 " "

For the exceptionally heavy losses of the last two years, rightly or wrongly, the Oliver law was blamed.¹⁰ A synopsis of the underwriting operations of sixty-five millionaire fire insurance companies for the ten-year period ending in 1912, showed an expense ratio of 36.66 per cent.¹¹ Applying this ratio to the loss ratio mentioned above, it becomes evident that the companies in the state of Missouri were doing business either at a loss or upon a very narrow margin of profit during 1911 and 1912.

The Oliver law also had the following provision: "Any one or more

⁷ *Spectator*, June 19, 1913, p. 271.

⁸ *Laws of Missouri 1911*, S. B. 25, pp. 268, 270.

⁹ *Spectator*, November 23, 1911, p. 246; December 14, 1911, p. 288.

¹⁰ *Ibid.*, April 17, 1913, p. 185.

¹¹ *Ibid.*, April 10, 1913, p. 174.

of such companies, singly or jointly, may employ for the making of such general basis schedules and rates and the filing of the same the services of such experts as it, or they, may deem advisable for such purpose."¹² The repeal of the Oliver law and the enactment of the *prima facie* section of the anti-trust law quoted above thus withdrew from the companies this privilege of making rates in common. Already the business in Missouri was a practically profitless one and the insurance companies were scarcely to be blamed for not caring to undergo the risk and expense of suits in court under the act. Moreover, if compelled to make rates separately, the result could scarcely be anything else than an enormous increase in expenses.

In defense of the new section of the anti-trust act, Attorney General Barker wrote the superintendent of the insurance department as follows, replying to five questions submitted by the American Central Insurance Company:

It is the opinion of this department that the mere fact that insurance companies in this state use the same rate book or write insurance at the same rate is not of itself a violation of the law, but before these companies are guilty of a violation of the law it must appear that they have entered into an agreement or conspiracy to charge the same rate.

. . . *prima facie* evidence is only evidence on first appearance, and is not sufficient to warrant a conviction, and the only way these companies can violate the law is by conspiring together to charge the same rate and in the absence of such a conspiracy or illegal agreement they do not violate the law by writing at the same rate.¹³

The *Spectator* pointed out, however, that the leniency thus hinted by the attorney general had no weight, as 115 county attorneys might start suits without regard to the attorney general.¹⁴

The results of the withdrawal of the companies were serious. The Missouri Bureau of Fire Prevention composed of about 400 state and special agents first suspended business.¹⁵ In July the St. Joseph bureau suspended and the St. Louis bureau was about to suspend. Credit and building operations throughout the state were seriously hampered and the governor was urged to call a special session of the legislature to repeal the obnoxious law. While affairs were apparently deadlocked, President Henry Evans of the Continental and Fidelity-Phoenix Company opened the negotiations which resulted in the final settlement, by sending Vice-President Rumsey of the same company to

¹² *Laws of Missouri, 1911*, S. B. 25, p. 269.

¹³ Carbon copy of the opinion of Attorney General Barker, dated April 16, 1913, and addressed to Superintendent Revelle.

¹⁴ *Spectator*, April 24, 1913, p. 197.

¹⁵ *Ibid.*, August 21, 1913, p. 78.

Missouri where the first conference was held.¹⁶ The upshot of the matter was that the attorney general in a written opinion stated that he believed the objectionable section of the law to be unconstitutional and agreed to dismiss the conspiracy writs pending; also to intervene and dismiss any proceedings which might be instituted independently by the 115 county attorneys referred to above. In addition, Governor Major agreed to appoint promptly a commission to report on the fire insurance situation.¹⁷

It is to be hoped that this little experience will prove a sound and salutary lesson to the state of Missouri. The wisdom of anti-compact laws has always been open to question. In 1911, a New York committee reported as follows:

As to the so-called anti-compact law: for the many reasons given, your committee believes that it would be most unfortunate for the public if a condition of open competition in rates were forced by the state. The safe policy to follow . . . is to recognize the good which flows from combinations well regulated; to permit the companies to use rating associations and bureaus to develop the principle of schedule rating and to spread the cost of determining proper rates among the companies, and to permit them to agree to maintain those rates.¹⁸

To the same effect is the report of an Illinois committee of the same year which condemns in no uncertain language the attitude of legislators opposed to the work of rating organizations and a common system of measuring risks.¹⁹

No one denies the wisdom of carefully regulating fire insurance companies, but there is probably no single field in which the principle of competition is less sound. The Oliver law represented an attempt by the state of Missouri to regulate the rates charged by the fire insurance companies. The repeal of that law and the enactment of the *prima facie* section of the Orr law was an attempt to force open competition in rates for fire insurance. In both cases the state's attitude seems to have been dictated by the desire to secure low rates. The wisdom of the first law, it is not for the writer to discuss here, but the second law as applied to fire insurance companies deserves unhesitating condemnation. However desirable low rates may be in them-

¹⁶ *Spectator*, August 14, 1913, p. 63.

¹⁷ *Indicator*, August 20, 1913, p. 323; and *Spectator*, August 14, 1913, pp. 63-64.

¹⁸ Report of the Joint Committee of the Senate and Assembly of New York, appointed to investigate corrupt practices in connection with . . . the affairs of insurance companies other than life, pp. 124-125.

¹⁹ "Report of the Illinois Fire Insurance Commission," *Illinois Insurance Report*, 1911, part I, pp. 920-923.